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Report Highlights:

* Cattle Industry Gets BSE Assistance Worth Up To C\$680 Million * Minister Speller Goes To Washington * All B.C. Poultry Flocks In High-Risk AI Region To Be Depopulated * St. Lawrence Seaway Open * Exports Of Canadian Canola To Mexico Projected To Rise

Includes PSD Changes: No
Includes Trade Matrix: No
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This Week in Canadian Agriculture is a weekly review of Canadian agricultural industry developments of interest to the U.S. agricultural community. The issues summarized in this report cover a wide range of subject matter obtained from Canadian press reports, government press releases, and host country agricultural officials and representatives.

Disclaimer: Any press report summaries in this report are included to bring U.S. readership closer to the pulse of Canadian developments in agriculture. In no way do the views and opinions of these sources reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

CATTLE INDUSTRY GETS BSE ASSISTANCE WORTH UP TO C\$680 MILLION: Canada has announced a Transitional Industry Support Program to provide the Canadian cattle industry up to C\$680 million to help offset the economic losses resulting from BSE and related trade disruptions. The funding will be delivered as a direct payment of up to C\$80 per eligible bovine animal on inventory as of December 31, 2003. Eligible animals include all bovine animals except mature bulls and cows (there was a separate cull cow BSE-related assistance program). "This is the single greatest financial support that the Canadian beef industry has ever received," says Neil Jahnke, President of the Canadian Cattlemen's Association. "The Federal Government has clearly recognized the depth that this crisis has reached in rural communities across Canada. While the assistance is being directed to beef cattle producers, it will also benefit the rural communities in which those beef producers work and live."

MINISTER SPELLER GOES TO WASHINGTON: Agriculture and Agri-Food Minister Bob Speller met with Secretary Veneman this week in Washington over BSE trade issues and the impact of BSE on both countries' beef and cattle exports. On his return he told the Canadian cattle industry that Canada and the U.S. have instituted many of the same measures to reduce the risks posed by BSE. Both countries have long-standing feed bans and have put in place measures to remove specified risk materials from all animals at slaughter. And, both countries, as well as Mexico, continue their efforts towards a resumption of exports based on a harmonized BSE framework. *Comment: A major goal for Minister Speller is to realize a fully reopened U.S. border for Canadian live cattle which has been closed since May 2003. In 2002, the year prior to Canada's BSE incident, more than 1.5 million Canadian live cattle (mostly slaughter cattle) were exported to the United States. The USDA reopened the comment period in March 2004 on a rule that, if finalized, would result in the resumption of imports of Canadian live cattle under 30 months of age. Consideration will be given to comments received on or before April 7, 2004.*

ALL B.C. POULTRY FLOCKS IN HIGH-RISK AI REGION TO BE DEPOPULATED: The Canadian Food Inspection Agency (CFIA), will depopulate all remaining flocks in the high-risk region of British Columbia's Fraser Valley. The decision follows the detection of avian influenza on two more farms, bringing the total number of infected premises in the high-risk region to five. Approximately 275,000 birds will be destroyed and removed from 10 farms and 33 small flocks. All owners of birds depopulated will be compensated under the Health of Animals Act. A number of countries already have import restrictions on Canadian poultry (China, Japan, South Korea, Hong Kong, Singapore and the Philippines). Of total Canadian poultry and poultry meat exports during 2003 of \$100 million, the Asia Pacific region accounted for about \$13 million. The major share of Canadian live poultry and poultry meat exports in 2003 was to the United States (\$70 million). Canada placed temporary import restrictions on live poultry and poultry products from Texas on February 23, 2004 following the confirmation of highly pathogenic avian influenza in the state (see CA4016).

ST. LAWRENCE SEAWAY OPEN: The St. Lawrence Seaway, which connects the Great Lakes to the Atlantic Ocean, opened on March 23, when the Welland Canal officially opened for its 175th consecutive year of service. In 2003, about 40.87 million metric tons of cargo was shipped through the seaway, down 1.3% from 2002 levels. A new marketing development director was hired in January to seek new business. Agricultural products represent about 40 percent of all Seaway trade. Grain shipped both by the United States and Canada is primarily for export. Cargoes include wheat, corn, soybeans, barley, oats, and flaxseed. The distance from the Atlantic Ocean to Duluth, Minnesota on Lake Superior is 2,038 nautical miles (2,342 statute miles or 3,700 kilometers), or 8.5 sailing days.

EXPORTS OF CANADIAN CANOLA TO MEXICO PROJECTED TO RISE: Delegates to the Canola Council of Canada's Annual Convention held in Puerto Vallarta, Mexico, March 21-23, 2004 were reportedly told by Amadeo Hallal, Director General of the Mexican processors group Asociación Nacional de Industriales de Aceites y Mantecas Comestibles (ANIAME) that Mexico will import one million metric tons of canola from Canada in the 2003-04 Mexican crop year (Oct-Sept). *Comment: According to Agriculture and Agri-Food Canada, Canada is the main supplier of canola to Mexico. During October-September 2003 Canada exported 2.8 million metric tons of low erucic acid canola (HS 12051020) valued at \$786 million. Japan was the major destination at 1.6 million metric tons while Mexico was third at 620,792 metric tons.*

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